

## **PROCEEDINGS OF THE BOARD OF ESTIMATE & TAXATION**

The regular meeting of September 21, 2016 held in room 317 of City Hall.

Meeting called to order by President Becker at 4:04 p.m.

Present were: Becker (Carol J. Becker, Elected Member, Hodges (Betsy Hodges, Mayor of Minneapolis), Johnson (Barbara Johnson, President of the City Council, Quincy (John Quincy Chair of the Ways & Means Committee of the City Council), Tabb (Anti Tabb Representative of the Park and Recreation Board),), Wheeler (David Wheeler, Elected Member).

Absent: None.

Wheeler moved adoption of the agenda, seconded by Tabb.

The secretary reviewed with the Board where the various individual property tax levies are shown on the actual Tax Statements and the November Truth in Taxation mailing from the County. The secretary reviewed the difference between the impacts of the Market Value components and the Tax Capacity components on different property values.

For the Market Values component of the City levy the rate is decreasing by 8.6% which means properties having less than an 8.7% increase in Estimated Market Value will pay less in 2017 than 2016 for this component of their City Property Taxes

The rate applicable to the Tax Capacity component of City taxes is decreasing from the 2016 level of 62.437% to an estimated 61.191%, a drop in rate of 1.246 or approximately 2%. This component of the tax obligation is influenced by several factors.

- A. Homes up to \$ 500,000 have a class rate of 1% applied to their Taxable Market Value (TMV).
- B. The value above \$500,000 has a class rate of 1.25% applied.
- C. All homesteaded less than \$413,800 in value receives a "Homesteaded Market Value Exclusion" that lowers their Estimated Market Value to a lower Taxable Market Value. The Exclusion from taxation is 40% of the first \$76,000 of a property's value. The amount excluded is reduced as the value rises above \$76,000. The value excluded is reduced by 9% of the value above \$76,000 and is completely phased out at property valued at \$413,800.

After discussion on the Mayor's proposed 2017 budget, Wheeler moved consideration of the Mayor's August Budget address Levy amounts with the addition \$105 in the General Fund and a reduction of \$300 in the Municipal Building Commission Levies for the "Truth in Taxation" and the "Charter Compliance" Resolutions.

**TRUTH IN TAXATION RESOLUTION:**

**RESOLVE BY THE BOARD OF ESTIMATE & TAXATION OF THE CITY OF MINNEAPOLIS:**

That, pursuant to truth in taxation legislation of the State of Minnesota, the Board of Estimate & Taxation does hereby fix and determine the maximum certified tax levies for property taxes payable in 2017 for various Levies from general taxation exclusive of tax-increment, value captured and fiscal disparities contribution values being assumed to be \$ 440,485,546 plus a fiscal disparities distribution dollar estimated at \$32,809,412 such maximum amounts being as follows:

<b>Truth in Taxation pays 2016 Levy Summary</b>		<b>Maximum Total Certified Tax Levies</b>
		<b><u>Levy Amount</u></b>
Minneapolis City* (excluding Bond Redemption,)		\$ 264,541,000
Bond Redemption		\$ 37,800,000

\*Includes maximums for the Board of Estimate & Taxation, and the Minneapolis Park & Recreation Board. The final rates will be determined by the final valuations, although the maximum dollar amount will remain as shown unless the maximum dollars shown would exceed the statutory limit, in which case the maximum dollar amount would be reduced to the statutory limit

**AND a market value levy for the Library Referendum debt service of \$ 9,300,000.**

**SPECIAL TAXING DISTRICT LEVY SECTION:**

Teachers' Retirement Association	\$ 2,300,000
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That pursuant to the truth in taxation legislation, the following is filed as the maximum certified property tax levies for Property taxes payable in 2017 for the various levies:

<b><u>Truth in Taxation pays 2016 Levy Items</u></b>	<b><u>Total Tax Levy Levy Amount</u></b>	<b><u>Fiscal Disparities</u></b>	<b><u>Local Levy</u></b>
General Fund	\$ 176,852,000	\$19,191,608.59	\$157,660,391.41
Permanent Improvement Fund	500,000	54,258.95	445,741.05
Bond Redemption Fund**	37,800,000	4,101,976.82	33,698,023.18
Municipal Building Commission	4,954,000	537,597.70	4,416,402.30
Estimate & Taxation Fund	180,000	19,533.22	160,466.78
Fire Relief Association	1,700,000	184,480.44	1,515,519.56
Police Relief Association	9,410,000	1,021,153.49	8,388,846.51
Minneapolis Employee Retirement Fund	11,200,000	1,215,400.54	9,984,599.46
CITY Less Park Board	242,596,000	26,326,009.75	216,269,990.25
Tree Preservation & Reforestation Fund	1,732,000	187,953.01	1,544,046.99
Park & Recreation Fund	58,013,000	6,295,449.24	51,717,550.76
PARK & RECREATION BOARD	\$ 59,745,000	6,483,402.25	53,261,597.75
	<b>\$ 302,341,000</b>	<b>\$32,809,412.00</b>	<b>\$269,531,588.00</b>

\*\*That the aggregate of levies certified to the Hennepin County Director of Property Taxation for 2017 for bond redemption (principal and interest) is reduced by the application of cash on hand to the following total amount:

**AND a market value levy for the Library Referendum debt service of \$ 9,300,000.**

**AND a Special Taxing District levy**

<b><u>Truth in Taxation pay 2017 Special Levy</u></b>	<b><u>Total Tax Levy Levy Amount</u></b>	<b><u>Fiscal Disparities</u></b>	<b><u>Local Levy</u></b>
Teachers' Retirement Association	\$ 2,300,000	\$ 262,740	\$ 2,037,260

**CHARTER COMPLIANCE**

**RESOLVE BY THE BOARD OF ESTIMATE & TAXATION OF THE CITY OF MINNEAPOLIS:**

That, pursuant to Section 2, Chapter XV of the Charter of the City of Minneapolis, the Board of Estimate & Taxation does hereby fix and determine the maximum amounts of money which may be certified levied by the City Council, the Public Housing Authority, and the Board of Estimate & Taxation of the City of Minneapolis for the fiscal year 2017. The net tax capacity of the property subject to general taxation exclusive of tax-increment, value captured and fiscal disparities contribution values being assumed to be \$440,485,546 plus a fiscal disparities distribution dollar estimated at \$ 32,809,412. Such maximum amounts being as follows:

**TO BE LEVIED BY:**

**Maximum Total Certified Tax Levy  
Levy Amount**

**BY THE CITY COUNCIL:**

General Fund	\$ 176,852,000
Permanent Improvement Fund	\$ 500,000

**BY THE BOARD OF ESTIMATE & TAXATION**

Estimate & Taxation Fund	\$ 180,000
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The final rates will be determined by the final valuations, although the maximum dollar amount will remain as shown unless the maximum dollars shown would exceed the statutory limit, in which case the maximum dollar amount would be reduced to the statutory limit

That the aggregate of levies certified to the Hennepin County Director of Property Taxation for 2017 for bond redemption (principal and interest) is reduced by the application of cash on hand to the following total amount and rate:

<b>Bond Redemption Fund</b>	<b>\$ 37,800,000</b>
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**& a market value levy for the Library Referendum debt service of \$ 9,300,000.**

That in the event the maximum tax levy stipulated above for any fund is determined to be in excess of the maximum legal tax levy for such fund, the maximum legal tax levy shall be construed to be the maximum tax levy for such fund for the purpose of this resolution;

That motion was adopted. Yeas – Nays – 1, as follows; Yeas – Hodges, Johnson, Quincy, Tabb, Wheeler, Becker – 6; Nays – none.

Wheeler moved to adjourn, seconded by Johnson, and the meeting was adjourned.